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William R. Gillis
Commissioner, Washington
Utilities Commission
Chandler Plaza Building
P.O. Box 47250
Olympia, WA 98504-7250

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Robert Schoonmaker
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Colorado Springs, Colorado

Carol Ann Bischoff
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David R. Conn
McLeod USA, Inc.
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Gene DeJordy
Western Wireless Corp.
Bellevue, Washington

Billy Jack Gregg
WV Consumer Advocate. Div.
Charleston, West Virginia

Evelyn Jerden
Western NM Telephone Co.
Silver City, New Mexico

Joel Lubin
AT&T
Washington, D.C.

Joan Mandeville
Blackfoot Telephone Co.
Missoula, Montana

Christopher McLean
Rural Utilities Service, USDA
Washington, DC

Jack Rhyner
TelAlaska
Anchorage, Alaska

David Sharp
Innovative Communication
Corp.
St. Thomas, Virgin Islands

Stephen Ward
ME Public Advocate Office
Augusta, Maine

*The Rural Task Force is an
independent advisory panel
appointed by the Federal-State
Joint Board on Universal
Service to provide guidance to
the Federal Communications
Commission and the Federal-
State Joint Board on Universal
Service.*

Rural Task Force

December 12, 2000 EX PARTE OR LATE FILED

Magalie Roman Salas, Secretary
Federal Communications Commission
445 12th Street, SW TW-A325
Washington, D.C. 20554

RECEIVED

DEC 13 2000

FCC MAIL ROOM

ORIGINAL

Subject: Rural Task Force *ex parte* response to public comments regarding
Rural Task Force Recommendation (CC Docket No. 96-45)

Dear Ms. Salas:

On December 12, 2000, the Rural Task Force sent to the Federal-State Joint Board on Universal Service an *ex parte* letter urging immediate implementation of the Rural Task Force Recommendation and setting issues aside until a second-phase. Please find enclosed an original and three copies of the documents. We are forwarding an electronic copy on diskette to Sheryl Todd in the Common Carrier Bureau.

Sincerely,



William R. Gillis
Chair, Rural Task Force

Enclosure

No. of Copies rec'd _____
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Commissioner Susan Ness, FCC Joint Board Chair
Commissioner Laska Schoenfelder, State Joint Board Chair
Commissioner Harold Furchtgott-Roth
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EX PARTE OR LATE FILED
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96-451

The Rural Task Force (RTF) transmitted its Recommendation to the Federal-State Joint Board on Universal Service in CC Docket 96-45 (Joint Board) on September 29, 2000. Pursuant to a Public Notice by the Federal Communications Commission (FCC), initial and reply comments have now been put on the public record. As signatories to the Recommendation, we are writing to express our concerns about some of the proposals that have been suggested in those comments.

Of great concern are modifications to the balanced package of reforms recommended by the RTF. These proposals risk undermining consensus and will delay successful implementation of the RTF Recommendations. The proposals have to do with the notion that universal service support for rural carriers should be based on a mechanism different than the RTF-recommended modified embedded cost mechanism. Related to this, there was discussion at the November 13, 2000 Joint Board *En Banc* hearing in San Diego, California, initial comments filed by the Maine Public Utilities Commission, the Vermont Department of Public Service, and the Vermont Public Service Board, and comments filed November 30, 2000, by RTF Members from Maine and West Virginia, submitted on State of Maine letterhead. If the RTF compromise proposal is not adopted as a whole, or is implemented for less than five years, the fundamental fairness inherent in our telecommunications regulatory process would require that all interested parties have the opportunity to make proposals regarding issues that would otherwise have been settled by the RTF's balanced package. If new options are to be considered by the FCC, at the very least, the RTF recommendation should also be considered in its entirety as one alternative.

It is critical that the Joint Board and FCC keep the momentum and act immediately to support the balanced package of reforms set forth in the RTF Recommendation. Therefore, in light of the comments mentioned, we emphasize support for the sequence of events described in the comments by RTF Members from Maine and West Virginia. Clearly, suggestions which fundamentally alter the RTF Recommendation may be fully considered during the five-year period in which the RTF recommendations are in effect. However, in no event should a new support mechanism be implemented prior to the end of the five year stability period recommended by the RTF. With less than a five year period, investment in rural areas would be stifled, both by ILECs who would be unsure of their investment recovery, and competitors, who need a stable system to make prudent business decisions relative to entering rural markets.

While it is appropriate to consider ongoing reforms to rural carrier universal service support mechanisms and policies that may be beneficial to consumers and investment in rural areas, our extensive experience has been that complex proposals to redistribute universal service support to rural carriers require substantial effort and time to develop to ensure practical implementation. For example, comments by the Vermont and Maine Commissions make suggestions which can only be responsibly considered after substantial analysis and an open process allowing for broad public comment. Descriptions of these proposals, and estimates of the potential cost and implications for companies and states are not delineated on the record, and thus do not allow public opportunity for review and comment.

Five years after the passage of the Telecommunications Act of 1996, it serves the public interest to move forward immediately to implement the balanced package of consensus-based reforms the RTF has developed through two and one-half years of analysis and open process. The members of the RTF believe it is vital to immediately implement RTF Recommendations, and to keep those recommendations in place for a period of five years.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill", written in black ink.

William R. Gillis
Chair, Rural Task Force

cc: Federal-State Joint Board on Universal Service and Staff
Chairman William Kennard
Commissioner Michael Powell
Kathryn C. Brown
Dorothy Attwood
Sheryl Todd (with diskette)